

# **Data Analysis Brief: Managed Care Enrollment Trends among Dually Eligible and Medicare-only Beneficiaries, 2006 through 2017**

*Prepared by CMS Medicare-Medicaid Coordination Office  
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## ***Twelve-year Managed Care Enrollment Trends: 2006-2017***

### **OBJECTIVE**

This Data Analysis Brief examines monthly point-in-time Medicare managed care enrollment trends of people who are dually eligible for Medicare and Medicaid (also known as dually eligible individuals) on a quarterly basis over twelve years.<sup>1</sup> In this brief, we include the Medicare-only population for comparison purposes.<sup>2</sup>

### **SUMMARY OF FINDINGS**

This analysis found escalating proportions of individuals enrolled in Medicare managed care across all enrollment groups over the twelve-year period from 2006 to 2017. The proportion of individuals enrolled in Medicare managed care was the highest among partial-benefit dually eligible individuals, although full-benefit dually eligible individuals exhibited the greatest proportional shift among all groups. As seen in Figure 1, the overall proportion of all dually eligible individuals enrolled in managed care surpassed that of Medicare-only beneficiaries for the first time beginning in 2015 and has since been continuing this upward trend.

### **BACKGROUND**

During the past two decades, the Medicare coverage choices available to dually eligible individuals have increased significantly, especially with the introduction of the Medicare Part C/Medicare Advantage (MA) program. Under the Balanced Budget Act of 1997 (BBA), health plan options were expanded to allow private commercial insurers to offer an alternative to traditional fee-for-service (FFS) Medicare in the form of specific types of health care plans. Today, these expanded options are collectively known as the “MA program” and include health maintenance organizations (HMOs), provider sponsored organizations (PSOs), preferred provider organizations (PPOs), and private FFS (PFFS) plans.<sup>3</sup> The BBA also established the Programs of All-inclusive Care for the Elderly (PACE) as a permanent Medicare coverage option (section 1894 of the Social

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<sup>1</sup> This report is located at the following CMS website: <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Analytics.html>.

<sup>2</sup> As CMS Medicaid data become more current, we plan to eventually expand our comparative analysis to include Medicaid.

<sup>3</sup> HMOs and PPOs are managed care plans that have provider networks and can vary plan offerings, premiums, and benefits by county. PSOs are managed care plans operated by a group of doctors and hospitals that then form the provider network. PFFS plans are private plans that pay providers on a FFS basis, as determined by the plan itself.

Security Act) and allowed states the option to pay for PACE under Medicaid (section 1934 of the Social Security Act). In this paper, we refer to enrollment in MA plans and PACE as “Medicare managed care.”

The Medicare Modernization Act of 2003 (MMA) further expanded the health plan options available through the MA program by authorizing Special Needs Plans (SNPs) to better coordinate benefits for beneficiary populations with special needs (i.e., dually eligible individuals, institutional enrollees, or beneficiaries with certain chronic conditions). More recently, through the Financial Alignment Initiative<sup>4</sup>, ten states began testing a capitated integrated delivery-payment model to improve coordination of care and align financial incentives for dually eligible individuals.<sup>5</sup> In this model, available only to full-benefit dually eligible individuals, participating health plans are known as Medicare-Medicaid Plans (MMPs).

## DETAILED FINDINGS

- **Medicare managed care penetration increased significantly over the twelve-year period between 2006 and 2017. The rate of increase was significantly greater for dually eligible individuals than for Medicare-only beneficiaries (p<0.0001).** Among dually eligible individuals, the proportion enrolled in Medicare managed care increased from 11 percent in 2006 to 35 percent in 2017. For comparison, the proportion of Medicare-only beneficiaries enrolled in managed care over the same time span increased from 16 percent to 32 percent. These trends are evident in Figure 1 (Attachment A), and the detailed findings are presented in Table 1 (Attachment B).
- **Individuals entitled to only partial Medicaid benefits<sup>6</sup> have consistently had the highest Medicare managed care enrollment rates, even as compared to Medicare-only beneficiaries, although the proportion of full-benefit dually eligible individuals enrolled in managed care grew at a significantly faster pace during the five-year period that MMPs have been available for dually eligible individuals (p<0.0001).** Medicare managed care enrollment among partial benefit dually eligible individuals was 18 percent in 2006 and grew to 44 percent in 2017. In contrast, among full-benefit dually eligible individuals, managed care enrollment increased from 10 percent in 2006 to 32 percent in 2017. These full-benefit and partial-benefit enrollee differences are displayed in Figure 1 (Attachment A), and the detailed findings are presented in Table 1 (Attachment B).
- **The extent of recent enrollment growth in Medicare managed care among full-benefit dually**

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<sup>4</sup> The Financial Alignment Initiative is being tested under the authority of CMS’ Center for Medicare & Medicaid Innovation. Through this initiative, CMS partners with states to test two new models: a capitated model, and a managed fee-for-service (FFS) model. For additional information about the Medicare-Medicaid FAI, please see the Medicare-Medicaid Coordination Office (MMCO) website: <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/FinancialModelstoSupportStatesEffortsinCareCoordination.html>.

<sup>5</sup> Under the capitated model, the state, CMS, and a health plan enter a three-way contract to provide integrated services, with the plan receiving a prospective blended payment. States currently testing the capitated model include California, Illinois, Massachusetts, Michigan, New York, Ohio, Rhode Island, South Carolina, and Texas. Virginia ended its capitated model demonstration in 2017.

<sup>6</sup> Unlike full-benefit dually eligible beneficiaries, those with partial benefits qualify for Medicaid assistance with Medicare cost-sharing related to Medicare-covered benefits, but do not qualify for Medicaid benefits.

**eligible individuals depends on whether the data include or exclude enrollment in MMPs offered under the Financial Alignment Initiative capitated model demonstrations. MMPs began enrolling full-benefit dually eligible individuals on a phase-in basis beginning in late 2013.** Figure 1 (Attachment A) shows the Medicare managed care enrollment (including MMP and PACE) trend lines for dually eligible individuals and Medicare-only beneficiaries. Figure 2 (Attachment A) shows the same analysis with MMP enrollment excluded.

## **DATA SOURCES AND METHODOLOGY**

This analysis employed Common Medicare Environment (CME) data from the CMS Chronic Conditions Data Warehouse (CCW). All Medicare beneficiaries, including those with Medicare Part A or Part B only, were included in the denominator of total Medicare beneficiaries in this analysis.

This analysis used state-reported “State MMA File” data to identify dually eligible individuals. As required by the MMA, states submit these files to CMS on an at-least monthly basis to report which of their Medicaid beneficiaries are eligible to also receive Medicare, and their specific dually eligible eligibility type. The State MMA File is considered the most current, accurate, and consistent source of information on beneficiaries’ dual eligibility status for any given month. For more information on defining dually eligible individuals in CMS administrative data sources, refer to the following resource: [https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/MMCO\\_DualEligibleDefinition.pdf](https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/MMCO_DualEligibleDefinition.pdf).

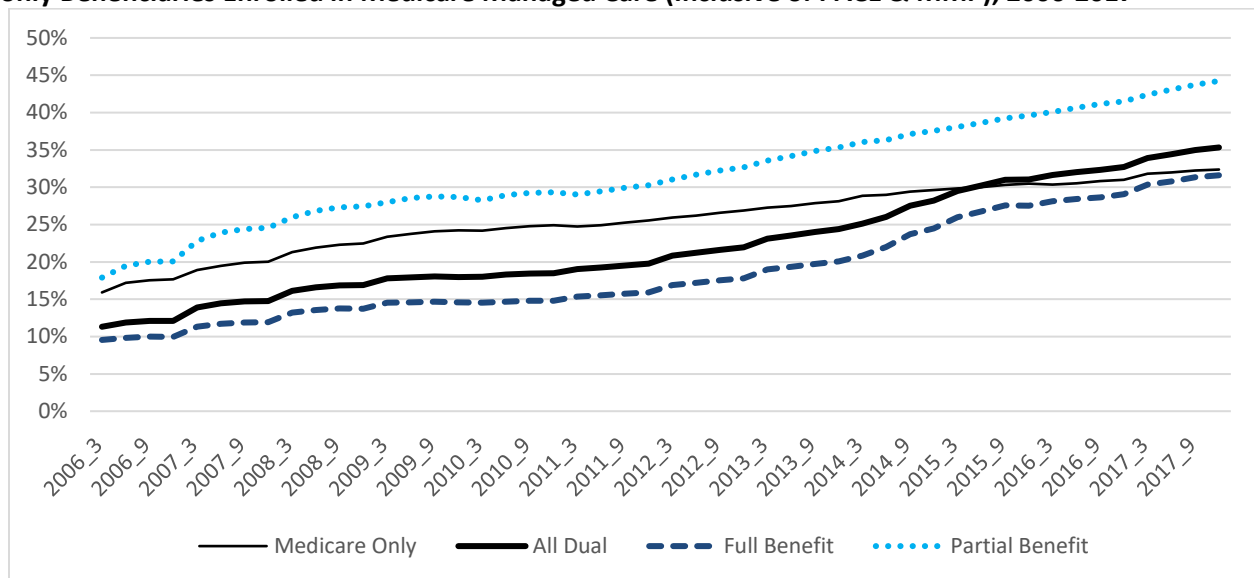
Beneficiaries across all enrollment groups (full-benefit dual, partial-benefit dual, and Medicare-only beneficiaries) were identified via monthly data, at four quarterly data points, as being enrolled in traditional Medicare FFS, as well as in PACE, MMP, and other Medicare managed care plans.<sup>7</sup> Statistical significance in the rates of change in Medicare managed care enrollment for dually eligible versus Medicare-only (2006 to 2017) and for full-benefit versus partial-benefit dually eligible (2013 to 2017) were calculated via the chi-square test. Graphs are provided in Attachment A and corresponding data tables are provided in Attachment B.

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<sup>7</sup> This analysis does not include individuals in employer-sponsored plans.

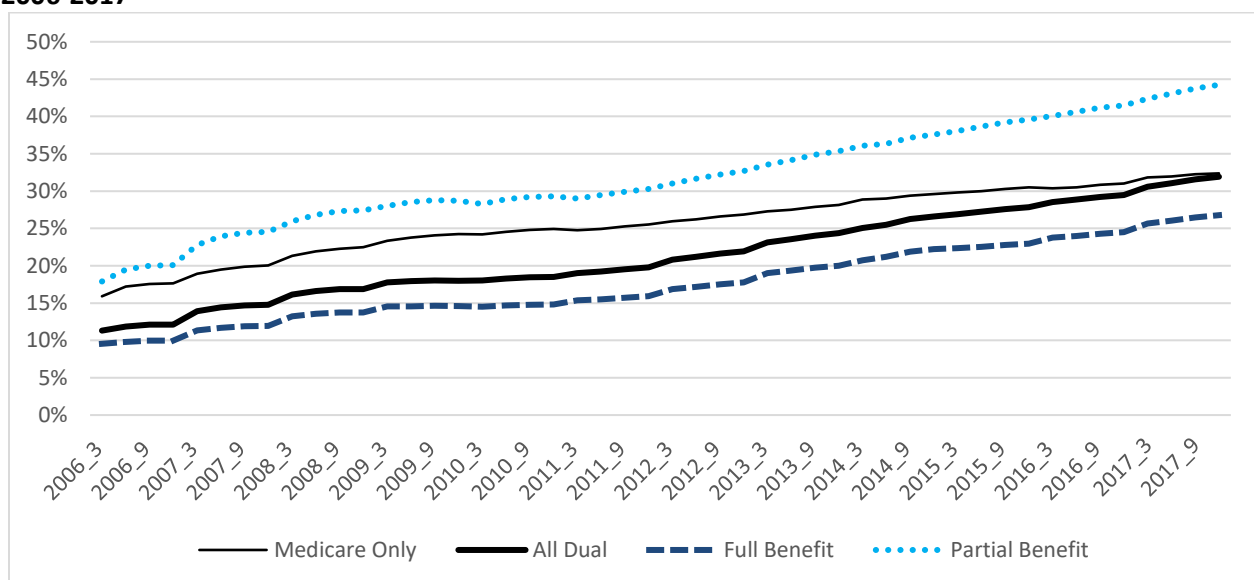
### Attachment A

**Figure 1. Proportion of Full-benefit, Partial-benefit, and Total Dually Eligible Beneficiaries, and Medicare-only Beneficiaries Enrolled in Medicare Managed Care (Inclusive of PACE & MMP), 2006-2017\***



\* Quarterly data are plotted. The corresponding Figure 1 data for December of each year can be found in Attachment B, Table 1.

**Figure 2. Proportion of Full-benefit, Partial-benefit, and Total Dually Eligible Beneficiaries, and Medicare-only Beneficiaries Enrolled in Medicare Managed Care (Including PACE, but Excluding MMP), 2006-2017\***



\* Quarterly data are plotted. The corresponding Figure 2 data for December of each year can be found in Attachment B, Table 2.

**Attachment B**

**Table 1. Proportion Enrolled in Medicare Managed Care, among all Full-benefit, Partial-benefit, and Total Dually Eligible Beneficiaries, and Medicare-only Beneficiaries**

<b>(Year_Month)</b>	<b>Medicare Only</b>	<b>All Dually Eligible Beneficiaries (Full- and Partial-Benefit)</b>	<b>Full-Benefit Dually Eligible Beneficiaries</b>	<b>Partial-Benefit Dually Eligible Beneficiaries</b>
<b>2006_12</b>	18% (6,541,079)	12% (1,047,260)	10% (679,640)	20% (367,620)
<b>2007_12</b>	20%	15%	12%	25%
<b>2008_12</b>	22%	17%	14%	27%
<b>2009_12</b>	24%	18%	15%	29%
<b>2010_12</b>	25%	18%	15%	29%
<b>2011_12</b>	26%	20%	16%	30%
<b>2012_12</b>	27%	22%	18%	33%
<b>2013_12</b>	28%	24%	20%	35%
<b>2014_12</b>	30%	28%	24%	38%
<b>2015_12</b>	31%	31%	28%	40%
<b>2016_12</b>	31%	33%	29%	41%
<b>2017_12</b>	32% (15,947,144)	35% (4,090,621)	32% (2,581,725)	44% (1,508,896)

**Table 2. Proportion Enrolled in Medicare Managed Care, among all Full-benefit, Partial-benefit, and Total Dually Eligible Beneficiaries, and Medicare-only Beneficiaries, *Excluding Medicare-Medicaid Plans (MMPs)***

<b>(Year_Month)</b>	<b>Medicare Only</b>	<b>All Dually Eligible Beneficiaries (Full- and Partial-Benefit)</b>	<b>Full-Benefit Dually Eligible Beneficiaries</b>	<b>Partial-Benefit Dually Eligible Beneficiaries</b>
<b>2006_12</b>	18% (6,541,079)	12% (1,047,260)	10% (679,640)	20% (367,620)
<b>2007_12</b>	20%	15%	12%	25%
<b>2008_12</b>	22%	17%	14%	27%
<b>2009_12</b>	24%	18%	15%	29%
<b>2010_12</b>	25%	18%	15%	29%
<b>2011_12</b>	26%	20%	16%	30%
<b>2012_12</b>	27%	22%	18%	33%
<b>2013_12</b>	28%	24%	20%	35%
<b>2014_12</b>	30%	27%	22%	38%
<b>2015_12</b>	31%	28%	23%	40%
<b>2016_12</b>	31%	29%	24%	41%
<b>2017_12</b>	32% (15,947,144)	32% (3,696,296)	27% (2,187,400)	44% (1,508,896)